REMUNERATION POLICY FOR THE BOARD AND SENIOR EXECUTIVE MANAGEMENT OF AL ANSARI FINANCIAL SERVICES PJSC

(Subject to the adoption of the shareholders in the General Assembly)

1) DEFINITIONS

"Articles of Association" or "AOA"	means the Articles of Association of the Company (as defined below), as may be amended by the General Assembly from time to time
Board or Board of Directors	means the board of directors of the Company.
"Board and Senior Management Executive Remuneration Policy" or "Policy"	means this Policy.
CEO	means the Chief Executive Officer of the Company.
Chairman	means the chairman of the Board of Directors.
Committee(s)	means the committees of the Board, including Nomination and Remuneration, Audit, and Executive committee.
Committee Member	means members of the Nomination and Remuneration, Audit and/or Executive committee, appointed from time to time.
Company	means Al Ansari Financial Services PJSC.
Companies Law	means Federal Law by Decree No. 32 of 2021 concerning Commercial Companies, as amended or replaced from time to time.
Corporate Governance Rules	means the rules set out in the Governance Code (as defined below).
Corporate Governance Report	means the corporate governance report issued by the Company each financial year in accordance with the Corporate Governance Rules.

Director(s) or Board Directors	means the person(s) elected to perform the function of member(s) of the Board of Directors of the Company.
Executive Director	the meaning of the term is defined in the Governance Code.
General Assembly	means the general assembly of the Company.
Governance Code	means the Securities and Commodities Authority's Board of Directors' Decision No. (3/R.M.) of 2020, Concerning the Approval of Joint Stock Companies Governance Guide (as amended from time to time).
Independent Director	the meaning of the term is defined in the Governance Code.
NRC	means the Nomination and Remuneration Committee, the Board Committee responsible for oversight of the Remuneration of the Board.
Non-Executive Director	the meaning of the term is defined in the Governance Code.
Non-Independent Director	the meaning of the term is defined in the Governance Code.
Remuneration	means (i) the total amount paid to a Director on account of his or her membership to the Board, as approved by the General Assembly; and (ii) the total amount paid to a Committee' Members on account of his or her services to the Committee, as approved by the Board
SCA	means the Securities and Commodities Authority.
Senior Executive Management	means the executive management of the Company, including the Chief Executive Officer, and the Managing Director delegated by the Board to manage the Company, and their deputies, or as otherwise defined in the Governance Code
UAE	means the United Arab Emirates.

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2) PREAMBLE

Al Ansari Financial Services PJSC and its Board are committed to maintaining the highest standards of corporate governance to uphold the principles of accountability, fairness, transparency, and responsibility. This Policy contains practices that are designed to support the Company's strategy and to promote long-term sustainable success. The Policy has been developed and recommended by the Nomination and Remuneration Committee, and endorsed by the Board in its meeting held on 13 February 2024, in alignment with the Company's long-term strategy, and in line with the following:

a) The NRC Charter;
b) The Articles of Association of AAFS; and
c) The Governance Code

This Policy was [approved by the General Assembly meeting held on 19 March 2024] in accordance with Article (29) of the Governance Code. The Policy has been made available on the Company's website since the announcement of the General Assembly meeting.

This Policy is intended to supplement any applicable legal or regulatory rules or requirements governing the Remuneration of the Board and Senior Executive Management, including any requirements set out in the Companies Law, Governance Code or the AOA.

3) SCOPE

This Policy shall be implemented by the Company to monitor the Remuneration of the Board and Committee Members, and shall apply to:

a) All Board Directors (Independent/Non-Independent – Executive/Non- Executive) who are serving on the Company's Board.
b) All members of the Board Committees.
c) Senior Executive Management.

4) INTENDED AUDIENCE

This Policy is for reference of all relevant stakeholders, including AAFS Employees, Board members, and shareholders.

5) GUIDING PRINCIPLES OF REMUNERATION

The guiding principles governing the Remuneration of the Board and Senior Executive Management are as follows:

a) Alignment with long-term value creation for shareholders.
b) Recognising the substantial effort, time and responsibility necessary to oversee the affairs of the Company.
c) Remuneration is fair and based on clear principles and structures to attract highly qualified candidates and retain and motivate highly qualified Directors, Committee Members, and Senior Executive Management.
d) Remuneration is to be reviewed and determined following comparison with Remuneration of boards and Senior Executive Management of companies with comparable capitalisation, nature of business, financial performance, size, complexity, and scope.
e) Setting appropriate maximum limits to any annual variable components and short-term incentives as well as suitable mechanisms in order to incentivise and measure performance.

6) REMUNERATION PROCESS AND GOVERNANCE

a) Board Directors, Committee Members and Senior Executive Management are expected to uphold the highest standards of integrity in instilling the appropriate values, behaviours and culture in the boardroom and beyond.
b) Directors, Committee Members, and Senior Executive Management play a vital role in steering and overseeing the performance of the Company and as such it is critical to ensure that the Remuneration is derived on the basis of certain elements which are pre-determined, quantifiable and aligned with the short and long-term interests of the Company.
c) The NRC has responsibility for designing and preparing Remuneration policies for the Board, its Committees, and the Senior Executive Management. It is vital that the NRC recognises and manages potential conflicts of interest in this process.
d) The NRC will recommend the Remuneration to the Board at the end of each financial year. Prior to making its recommendation, the NRC may annually review the proposed Remuneration against companies of similar size and complexity to the Company to ensure that the Company can attract and retain Board Directors, Committee Members, and Senior Executive Management with relevant skills, industry knowledge and experience to oversee the Company strategy.
e) Based on the proposal and recommendation of the NRC with respect to the Remuneration of Board Members, the Board shall make a recommendation of the allocation of Remuneration in accordance with the principles set out in this Policy, for the approval of the General Assembly.
f) The Board of Directors may delegate, in whole or in part, its decision described herein to the Nomination and Remuneration Committee.
g) The Board and the NRC may rely on external advisors to perform the market studies and analysis as they deem appropriate of the Board.

7) REMUNERATION OF DIRECTORS AND COMMITTEE MEMBERS

a) The total Remuneration of the Board and its Committees shall not exceed the thresholds set out in the Companies Law, the Corporate Governance Rules or the Articles of Association. Details of the Remuneration of the Board, as approved by the General Assembly are reported each year in the Corporate Governance Report.

a) Pursuant to the Companies Law, the Corporate Governance Rules and the AOA, the remuneration of the Chairman and Board members is made up of a percentage of the net profit not exceeding 10% of the fiscal year profits after deducting all consumption and reserves.
Notwithstanding the above, and subject to the controls issued by SCA in this regard, any Director may be paid a lump sum remuneration not exceeding AED 200,000 (two hundred thousand Dirhams) at the end of the fiscal year, provided that the General Assembly has approved the payment of such remuneration in the following cases:
    1) if the company has not generated any profits; or
    2) if the Company generates profits but the share of each Board member in such profits is less than AED 200,000 (two hundred thousand Dirhams). In which case, the fee and the board remuneration may not be combined.

b) The Company may pay expenses, fees, additional bonus or a monthly salary to any Director as determined by the Board where such Director serves in any Committee, makes special efforts or performs additional work to serve the Company in excess of his or her regular duties as a Director.

c) Expenses such as travel and accommodation relating to meetings of the Board or its Committees being held outside the UAE, and relevant trainings may be reimbursed in accordance with the Company's relevant policies applicable from time to time.

d) Directors shall not receive attendance fees for attending a Board meeting. Committee members may be paid attendance fees for attending Committee meetings.

e) In the case of a Director resigning or leaving the Board, the outgoing Director's Remuneration shall be calculated on the basis of actual performance at the end of the performance year and pro-rated (calendar days), and shall be paid subject to approval by the General Assembly.

f) Any variable component and/or short-term incentive may be expressed as a percentage of the annual fixed base Remuneration and may vary depending on the role of each Director.

g) The General Assembly shall have the right to deduct from the Board Remuneration any fines levied by the SCA or the relevant competent authority against the Company for any violation of the Companies Law or the AOA by the Board during the preceding financial year. The General Assembly may however resolve not to deduct such fines if it considers that such fines were levied for reasons other than a default or error on the part of the Board.

8) REMUNERATION OF THE SENIOR EXECUTIVE MANAGEMENT

a) The NRC shall ensure that the mechanism for calculating the remuneration of Senior Executive Management is fair, reasonable, and in line with the guidelines and policies approved by the Board.

b) The remuneration structure for Senior Executive Management includes fixed components, and variable components.

c) The fixed component of the salary is competitive and commensurate with the individual's role, responsibility and experience in relation to performance of day-to-day activities. This component includes salary, allowances and other benefits which are a normal part of remuneration package and should be in line with market practices.
d) The variable component of the salary (such as incentives, bonuses, increments etc.) shall be appropriately linked to corporate and individual performance against specified targets, and achievement of financial/non-financial objectives.

9) REVIEW OF THE POLICY

The Nomination and Remuneration Committee shall review this policy annually, or as and when changes are needed. The Committee shall advise the Board regarding any changes required in the policy, based on its review.